

**CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA**

Annual Financial Report

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/21/10

**CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Annual Report
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CITY COURT OF HOUMA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

This discussion and analysis of the City Court of Houma, Louisiana's financial performance provides an overview of the financial activities as of and for the year ended December 31, 2009. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

Our financial statements provide these insights into the results of this year's operations:

- Net assets of our governmental activities decreased by \$(133,855) restating net assets by \$144,980 for a prior period adjustment.
- As a result of this year's operations, assets exceeded liabilities by \$289,938 (net assets).
- Total spending for all governmental activities was \$858,871 for the year, which was \$14,929 less than the program revenues of \$843,942.
- The governmental funds reported total ending fund balance of \$249,591 of which all was considered unreserved.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-Wide Financial Statements) provide information about the governmental activities as a whole and present a longer-term view of the finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds (Fund Financial Statements) tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the operations in more detail than the government-wide statements by providing information about the most significant funds.

Our auditor has provided assurance in his independent auditor's report that the basic financial statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Other Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Report.

Government-Wide Financial Statements

One of the most important questions asked about finances is, "Is the City Court of Houma, Louisiana as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information as a whole and about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

CITY COURT OF HOUMA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

These two statements report the net assets and changes in them. You can think of net assets—the difference between assets and liabilities—as one way to measure the financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the City Court of Houma, Louisiana.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not as a whole. Some funds are required to be established by State laws. The City Court of Houma, Louisiana uses only the governmental type of fund with the following accounting approach. Most of the basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

FINANCIAL ANALYSIS AS A WHOLE (GWFS)

Net assets decreased by \$133,855, as stated before, mainly due to an adjustment to beginning net assets for a prior period adjustment of \$144,980. Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—absorbed most of the decrease this year. The balance in net assets represents the accumulated results of all past years' operations.

Our analysis focuses on the net assets (Table A) and changes in net assets (Table B) of the governmental-type activities:

CITY COURT OF HOUMA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

Table A
Condensed Statement of Net Assets

	2008	2009	Dollar Change	Total Percent Change
Current and Other Assets	\$ 492,268	\$ 358,759	\$(133,509)	-27.1%
Capital Assets	23,286	40,347	17,061	73.3%
Total Assets	515,554	399,106	(116,448)	-22.6%
Current Liabilities	91,761	109,168	17,407	19.0%
Invested in Capital Assets	23,286	40,347	17,061	73.3%
Unrestricted	400,507	249,591	(150,916)	-37.7%
Total Net Assets	\$ 423,793	\$ 289,938	\$(133,855)	-31.6%

Program revenues for the governmental activities decreased slightly by \$37,542 a little more than 4%, while expenses increased by \$26,428 or approximately 3%. General revenues consisting of interest earned and other miscellaneous revenue decreased by \$141,840.

Table B
Condensed Statement of Activities

	2008	2009	Dollar Change	Total Percent Change
Total program expenses	\$(832,443)	\$(858,871)	\$ 26,428	3.2%
Total program revenues	881,484	843,942	(37,542)	-4.3%
Net program income	49,041	(14,929)	(63,970)	130.4%
General revenues	167,894	26,054	(141,840)	-84.5%
Change in Net Assets	216,935	11,125	(205,810)	94.9%
Net Assets:				
Beginning of the year	206,858	278,813	71,955	34.8%
End of the year	\$ 423,793	\$ 289,938	\$(133,855)	-31.6%

CITY COURT OF HOUMA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (FFS)

The City Court of Houma, Louisiana uses funds to help it control and manage money for particular purposes. Looking at individual funds helps you consider whether the Court is being accountable for the resources provided to it but may also give you more insight into the overall financial health.

The general fund, reported an ending fund balance of \$249,591. This decrease is primarily the result of the events and programs described within the analysis of the governmental activities. Total revenues decreased approximately \$180,000 or 17%. Current expenditures for judicial activities were \$845,924 and increased from the prior year by 6%. Capital outlay equaled \$30,008, an increase from amounts expended last year.

The agency funds are composed mainly of cash for fines and fees collected for amounts due to others from these collections. The Civil Cost Fund is the largest of the agency funds with approximately \$780,000 in cash and amounts held for future disposition. The Criminal Cost Fund reflects approximately \$190,000 in cash and funds held for future disposition. The Bond Fund reflects approximately \$34,000 in cash and bonds held for future disposition.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund was revised during the year as summarized below.

Originally budgeted revenues	\$ 975,000
Increases (decreases) were provided for:	
A decrease in fees revenue	(52,774)
An increase in intergovernmental revenue	6,793
A decrease in restitution revenue	(4,800)
A decrease in miscellaneous and interest	(743)
Final budgeted revenues	<u>\$ 923,476</u>
Originally budgeted expenditures	\$ 883,800
Increases (decreases) were provided for:	
An increase in amount reimbursed to TPCG	37,316
A decrease in the amount transferred to TPCG for Building Fund	(47,992)
A decrease in salaries and benefits	(1,366)

CITY COURT OF HOUMA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

An increase in other current expenditures	13,505
An increase in capital outlay	12,267
Final budgeted expenditures	<u>\$897,530</u>

CAPITAL ASSETS

Capital assets, net of accumulated depreciation of \$309,576, for governmental activities at year-end were \$40,347. This year there was \$30,008 of additions to capital assets. Depreciation of \$12,947 was recorded on capital assets. More detailed information about the capital assets is presented in Note 3 to the financial statements.

DEBT

At year-end, the City Court of Houma had no debt outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Many factors were considered when budgeting for the current fiscal year. Possible new laws and regulations, increased rates and fees that would be charged were all considered. Historically, the office staff and costs remain stable and should continue to do so. The Terrebonne Parish Council in their current operating budget absorbs some capital asset purchases and other operating expenses. If these estimates remain consistent, the City Court of Houma, Louisiana's General Fund balance is expected to decrease accordingly by the close of 2010. Highlights of next year's adopted budget for the general fund include:

2010 Condensed Summary of Budgeted Finances		
Anticipated revenues		\$1,003,116
Expenditures:		
Current		931,392
Capital outlay		30,000
Anticipated expenditures		961,392
Excess of revenues		41,724
Fund Balance:		
Beginning of the year		249,824
End of the year		\$291,548

CITY COURT OF HOUMA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2009

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City Court of Houma, Louisiana's finances and to show accountability for the money it received. If you have questions about this report or need additional financial information, contact:

Mr. Douglas Holloway, Court Administrator
8046 Main Street
Houma, LA 70360
Phone 985-868-4232

FINANCIAL SECTION



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Jude Thaddeus Fanguy, Judge
City Court of Houma
Terrebonne Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities and each major fund of the City Court of Houma, Louisiana, a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of City Court of Houma's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Statements*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the City Court of Houma, Louisiana as of December 31, 2009 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Jude Thaddeus Fanguy, Judge
City Court of Houma, Louisiana

In accordance with *Government Auditing Standards*, we have also issued a report dated April 26, 2010, on our consideration of the City Court of Houma's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Required Supplementary Information, as listed in the foregoing table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City Court of Houma's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City Court of Houma. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Stagni & Company

Thibodaux, Louisiana
April 26, 2010



CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Statement of Net Assets - Governmental Activities
December 31, 2009

ASSETS

Cash	\$ 206,673
Investments	138,484
Restitution Receivable	10,050
Fees & costs receivable	3,552
Capital Assets, net of depreciation	40,347
TOTAL ASSETS	<u><u>399,106</u></u>

LIABILITIES

Accounts payable	17,228
Due to Terrebonne Parish Consolidated Govt	91,940
TOTAL LIABILITIES	<u><u>109,168</u></u>

NET ASSETS

Invested in capital assets	40,347
Unrestricted	249,591
TOTAL NET ASSETS	<u><u>\$ 289,938</u></u>

\$ -

See notes to financial statements.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Statement of Activities - Governmental Activities
For the Year Ended December 31, 2009

FUNCTIONS/PROGRAMS	Program Revenue		Net (Expense) Revenue
	Expenses	Charges for services Operating Grants	
Judicial activities:	\$858,871	\$ 49,393	\$ (14,929)
Total governmental activities	<u>858,871</u>	<u>49,393</u>	<u>(14,929)</u>
GENERAL REVENUES			
Miscellaneous			9,973
Interest earned			16,081
TOTAL GENERAL REVENUES			<u>26,054</u>
CHANGE IN NET ASSETS			
			11,125
NET ASSETS:			
Beginning of year			423,793
Prior period adjustment			(144,980)
Beginning of year, restated			<u>278,813</u>
End of year			<u><u>\$ 289,938</u></u>

See notes to financial statements.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Balance Sheet - Governmental Fund - General Fund
December 31, 2009

ASSETS

Cash	\$ 206,673
Investments	138,484
Restitution Recievable	10,050
Fees & Costs Receivable	3,552
Total assets	<u>358,759</u>

LIABILITIES

Accounts Payable	17,228
Due to Terrebonne Parish Consolidated Govt	91,940
Total liabilities	<u>109,168</u>

FUND EQUITY

Fund balance - unreserved, undesignated	249,591
Total fund equity	<u>249,591</u>

Amounts reported for governmental activities in the
statement of net assets are
different because:

Capital assets used in governmental activities
are not financial resources
and therefore are not reported in the funds.

	<u>40,347</u>
Net assets of governmental activities	<u>\$ 289,938</u>

See notes to financial statements.

**CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA**

*Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund - General Fund
For the Year Ended December 31, 2009*

REVENUES

Charges for services:	
Criminal fees	\$ 198,224
Juvenile fees	84,574
Civil fees	353,343
Building fees	158,408
Intergovernmental revenue	49,393
Miscellaneous:	
Interest	16,081
Other	9,973
Total revenues	<u>869,996</u>

EXPENDITURES

Current:	
Reimbursement to Terrebonne	
Parish Consolidated Government	387,720
Transfer to Parish for Building Fund	158,408
Salaries and employee benefits	64,634
Office supplies	42,254
Postage	24,590
Law books, dues and publications	6,299
Professional services	55,633
Travel, education and seminars	33,878
Telecommunications	17,506
Community work program	237
Uniform and clothing allowance	7,583
Insurance	3,094
Equipment repairs and maintenance	20,727
Miscellaneous	23,361
Total current expenditures	<u>845,924</u>
Capital outlay	30,008
Total expenditures	<u>875,932</u>

Excess (deficiency) of revenues over expenditures (5,936)

FUND BALANCES

Beginning of year	400,507
Prior period adjustment	(144,980)
Beginning of year, restated	<u>255,527</u>
End of year	<u>\$ 249,591</u>

\$ -

See notes to financial statements.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Reconciliation of the Net Change in Fund Balances (FFS)
to the Statement of Activities (GWFS)
For the Year Ended December 31, 2009

Net change in fund balances—total governmental funds (FFS)	\$	(5,936)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	30,008
Depreciation	<u>(12,947)</u>

		17,061
Change in net assets - governmental activities (GWFS)	\$	<u><u>11,125</u></u>

See notes to financial statements.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Statement of Fiduciary Net Assets - Agency Funds
December 31, 2009

		Civil Cost Fund	Criminal Cost Fund	Bond Fund	Totals
ASSETS					
Cash		\$ 261,347	\$ 125,521	\$ 33,776	\$ 420,644
Investments		519,238	64,355		583,593
Total assets		<u>\$ 780,585</u>	<u>\$ 189,876</u>	<u>\$ 33,776</u>	<u>\$ 1,004,237</u>
LIABILITIES					
Due to other governments		\$ 3,808			\$ 3,808
Bonds held for future disposition				\$ 33,776	33,776
Civil funds held for future disposition		776,777			776,777
Criminal funds held for future disposition			\$ 189,876		189,876
Total liabilities		<u>\$ 780,585</u>	<u>\$ 189,876</u>	<u>\$ 33,776</u>	<u>\$ 1,004,237</u>

See notes to the financial statements.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

INTRODUCTION

The City Court of Houma is organized under the Louisiana Revised Statute 13:1872. The City Court is a limited jurisdiction court handling civil suits up to \$20,000, adult misdemeanors and juvenile proceedings. The Honorable Judge of the City Court of Houma is an elected official whose current term ends December 31, 2014.

Note 1 Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The Judge of the City Court of Houma is an independently elected official. However, the City Court of Houma is fiscally dependent on the Terrebonne Parish Consolidated Government for office space, courtrooms, and related utility costs, as well as partial funding of salary costs.

The accompanying financial statements present information only on the funds maintained by the City Court of Houma and do not present information on the Terrebonne Parish Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The accounting system is organized and operated on a fund basis whereby a separate self-balancing set of accounts is maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds in the financial statements in this report are grouped into two broad categories as follows:

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 **Summary of Significant Accounting Policies (Continued)**

C. Fund Accounting (Continued)

Governmental Fund Type

Governmental funds account for all or most of the general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources that may be used to finance future period programs or operations. The following are the governmental funds:

General Fund - The General Fund is used to account for all financial resources and expenditures of the City Court of Houma, Louisiana except those required to be accounted for in other funds.

Fiduciary Fund Type

Agency Funds - Agency Funds are used to account for assets held by the City Court of Houma, Louisiana as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

D. Measurement Focus / Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in fund financial statements, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of operations.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 *Summary of Significant Accounting Policies (Continued)*

D. Measurement Focus / Basis of Accounting (Continued)

Fund Financial Statements (FFS) (Continued)

The amounts reflected in the fund financial statements, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The court considers all revenues available if they are collected within 60 days after the fiscal year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – Court fines and fees and interest are recorded when earned and measurable.

Expenditures – The major expenditures of salaries and benefits, and court processing and clerk fees are recorded when the salary is earned and payable or when the fees are incurred.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements display information as a whole. These statements include all the financial activities. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 *Summary of Significant Accounting Policies (Continued)*

D. Measurement Focus / Basis of Accounting (Continued)

Program Revenues - Program revenues included in the column labeled Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the general revenues.

E. Budgets

The City Court of Houma, Louisiana presents, adopts and amends an operating budget for the general fund as required by the Louisiana Local Government Budget Act. The budget is prepared on a modified accrual basis of accounting. The budget presented in the Budget Comparison Schedule shows the original and final amended budgets for the year.

The City Court of Houma does not utilize encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in the fund general ledgers.

F. Cash and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the Houma City Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. City Court of Houma's cash includes amounts in regular and savings accounts.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. State law allows all political subdivisions to invest excess funds in obligations of the United States, certificates of deposit of state or national banks having their principal office in Louisiana or any other federally insured investment.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

F. Cash and Investments (continued)

The City Court of Houma, Louisiana may invest idle funds as authorized by Louisiana Statutes, as follows:

- (a) United States bonds, treasury notes, certificates, or any other federally insured investments.
- (b) Time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana.
- (c) Mutual or trust funds, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

G. Capital Assets

Capital assets are capitalized at historical cost or estimated if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The court maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and equipment	5 years

H. Compensated Absences

All individuals who work at the City Court of Houma are primarily employees of the Terrebonne Parish Consolidated Government; therefore, no liability for compensated absences is recorded in these financial statements. Vacation and sick leave do not accumulate.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 1 Summary of Significant Accounting Policies (Continued)

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 Deposits and Investments

Deposits

The year-end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$644,980	\$627,317
Certificates of Deposit	400,000	400,000
Totals	\$1,044,980	\$1,027,317

State law requires deposits (cash & certificates of deposit) be fully collateralized at all times. Acceptable collateralization includes the FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished, as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision. In accordance with state law all cash and deposits were collateralized.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 2 **Deposits and Investments (Continued)**

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned to it. As of December 31, 2009, \$386,651 of the City Court's bank balance was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the City Court's name.

At year-end, cash and certificates of deposit in excess of the FDIC insurance were collateralized by securities held by unaffiliated banks for the account of depositors. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the pledged securities are considered subject to custodial credit risk under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits reported on the financial statements follows:

	Reported Amount
Cash – governmental fund	\$206,673
CD – governmental fund	100,000
Cash – agency funds	420,644
Certificates of deposit – agency funds	300,000
Totals	\$1,027,317

Investments

State statutes authorize investing in obligations of the US Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 2 Deposits and Investments (Continued)

At December 31, 2009 investments and maturities were as follows:

Investment Type	Fair Value	Investment Matures in less than 1 year	Investment Matures in 1 to 5 years
US Government Securities Fund	\$131,279	\$131,279	
Mortgage and Asset Backed Securities	116,142		116,142
Government Money Funds	75,123	75,123	
Certificates of Deposit	400,000	300,000	100,000
Totals	\$722,544	\$506,402	\$216,142

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the City Court will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

Total reconciliation of investments as shown reported on the financial statements is as follows:

	Reported Amount
Investments – governmental fund	\$138,484
Investments – agency funds	583,593
Totals	\$722,077

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 3 Capital Assets

Capital assets and depreciation activity for the year is as follows:

Governmental Activities	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Furniture and Equipment	\$319,915	\$30,008	\$0	\$349,923
Less accumulated depreciation	296,629	12,947	0	309,576
Furniture & Equipment, net	\$23,286			\$40,347

Depreciation expense for the year recorded for governmental activities was \$12,947.

Note 4 Employee Retirement Systems

All individuals who work at City Court of Houma, Louisiana are primarily paid by the Terrebonne Parish Consolidated Government and are consequently members of the State Parochial Employee's Retirement System of Louisiana and the Louisiana State Employee's Retirement System. GASB requires certain disclosures for employers who maintain retirement plans for their employees.

All individuals employed at the City Court of Houma, Louisiana are primarily compensated by others who disclose the required retirement plan information in their separately issued financial statements. The retirement plan mentioned above is administered and controlled by a separate board of trustees.

Note 5 Reimbursement to Terrebonne Parish Consolidated Government

The Terrebonne Parish Consolidated Government pays certain operating costs of the City Court of Houma, Louisiana. These costs include salaries and benefits, supplies, utilities and insurance and are not recognized as expenditures by the City Court of Houma, Louisiana and accordingly, are not included in the basic financial statements. Houma City Court reimburses the Terrebonne Parish Consolidated Government the excess of an agreed upon monthly budgeted amount (this year that amount is \$70,558.08 per month). The total amount incurred by the TPCG was \$1,239,468 of which the City Court of Houma reimbursed \$846,697.

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Notes to Financial Statements
For the Year Ended December 31, 2009

Note 6 *Risk Management*

City Court of Houma, Louisiana is exposed to various risks of loss related to tort; theft of, damage to, or destruction of assets; errors and omissions; and injuries to the public; and natural disasters. To protect against these risks, the District has purchased commercial or other insurance for the losses to which it is exposed.

Note 7 *Cooperative Endeavor Agreements – Building Fund*

Beginning April 9, 2001 a cooperative endeavor was entered into pursuant to a resolution of the Terrebonne Parish Council to provide for the receipt, accounting and management of fees collected under LRS Title 13, Section 1910 (known as Act 901 fees) that provides for a City Court Building Fund to be "dedicated exclusively to the acquisition, leasing, construction, equipping, and maintenance of new and existing city courts and for the maintenance and payment of any bond indebtedness on any such existing facilities"

The fee of not to exceed \$20 is assessed on all civil and criminal cases filed in the jurisdiction of the Houma City Court. The City Court of Houma collects these fees and remits the fees monthly to the Terrebonne Parish Consolidated Government to account for these fees as prescribed. The amount collected and remitted for the current year is \$158,408.

Note 8 *Prior Period Adjustment – General Fund*

An adjustment was made to beginning fund balance to recognize a receivable for restitution that was not recorded properly in the prior year. The beginning fund balance was reduced by \$144,980 for this correction of an error.

***REQUIRED SUPPLEMENTAL INFORMATION
SECTION***

CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
Budget Comparison Schedule - General Fund
For the Year Ended December 31, 2009

	Budget			Favorable (Unfavorable) Variance
	Original	Amended	Actual	
<u>REVENUES</u>				
Charges for services:				
Criminal fees	\$ 342,000	\$ 254,501	\$ 198,224	\$ (56,277)
Juvenile fees	52,800	84,574	84,574	-
Civil fees	302,400	353,343	353,343	-
Building fees	206,400	158,408	158,408	-
Intergovernmental revenue	42,600	49,393	49,393	-
Restitution	4,800	-	-	-
Miscellaneous:				
Interest	21,000	16,295	16,081	(214)
Other	3,000	6,962	9,973	3,011
Total revenues	<u>975,000</u>	<u>923,476</u>	<u>869,996</u>	<u>(53,480)</u>
<u>EXPENDITURES</u>				
Current:				
Reimbursement to Terrebonne				
Parish Consolidated Government	372,000	409,316	387,720	21,596
Transfer to Parish for Building Fund	206,400	158,408	158,408	-
Salaries and employee benefits	66,000	64,634	64,634	-
Office supplies	39,600	51,624	42,254	9,370
Postage	22,800	24,590	24,590	-
Law books, dues and publications	13,200	6,299	6,299	-
Professional services	49,200	53,540	55,633	(2,093)
Travel, education and seminars	31,200	33,878	33,878	-
Telecommunications	13,200	17,506	17,506	-
Community work program	200	237	237	-
Uniform and clothing allowance	7,200	7,583	7,583	-
Insurance	3,600	3,094	3,094	-
Equipment repairs and maintenance	15,600	13,593	20,727	(7,134)
Drug Tests	1,000	-	-	-
Miscellaneous	27,600	25,961	23,361	2,600
Total current expenditures	<u>868,800</u>	<u>870,263</u>	<u>845,924</u>	<u>24,339</u>
Capital outlay	<u>15,000</u>	<u>27,267</u>	<u>30,008</u>	<u>(2,741)</u>
Total expenditures	<u>883,800</u>	<u>897,530</u>	<u>875,932</u>	<u>21,598</u>
Excess (deficiency) of revenues over expenditures	91,200	25,946	(5,936)	(75,078)
<u>FUND BALANCES</u>				
Beginning of year	213,907	223,878	400,507	400,507
Prior period adjustment			(144,980)	
Beginning of year, restated	<u>213,907</u>	<u>223,878</u>	<u>255,527</u>	<u>400,507</u>
End of year	<u>\$ 305,107</u>	<u>\$ 249,824</u>	<u>\$ 249,591</u>	<u>\$ 325,429</u>

See notes to financial statements.

REPORTS REQUIRED BY GAO



STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Jude Thaddeus Fanguy, Judge.
City Court of Houma
Terrebonne Parish, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the City Court of Houma, Louisiana, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated April 26, 2010. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Houma's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

Honorable Jude Thaddeus Fanguy, Judge.
City Court of Houma
Terrebonne Parish, Louisiana
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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City Court of Houma, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of, management. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document

Stagni & Company

April 26, 2010
Thibodaux, Louisiana



CITY COURT OF HOUMA
TERREBONNE PARISH, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended December 31, 2009

We have audited the financial statements of the governmental activities and each major fund of the City Court of Houma, Terrebonne Parish, Louisiana, a component unit of Terrebonne Parish Consolidated Government as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements as listed in the table of contents, and have issued our report thereon dated April 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards **N/A**

Internal Control

Material Weaknesses ☐ Yes ☐ No

Significant Deficiencies ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐☐☐☐ Qualified ☐

For Major Programs Disclaimer ☐☐☐☐ Adverse ☐

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? ☐ Yes ☐ No

c. Identification of Major Programs: **N/A**

CFDA Number (s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

Section II - Financial Statement Findings

NONE

